

CCT DEPLOYMENT: FROM TODAY INTO THE NEXT MILLENNIUM

ISSUE 4 RAPPORTEUR REPORT

ALL SECTORS REPRESENTED: Utility, Industrial, Fuel Supplier,
Technology Supplier, State Government.

ALL EXPRESSED CCT FACES MANY UNCERTAINTIES: Barriers,
Hurdles, Problems

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|----------------------------|--|
| 1. Electric Deregulation - | Postpone Capacity Additions (49.6%CF) Soft Market (load growth in US lower) Need for Smaller Generation |
| 2. Capital Expense- | Higher Seen as Demonstration vs. Standardization |
| 3.Competition- | Gas Price Low Natural Gas Generation Technology Advancing (Eff. 50-60%) Known Natural Gas Supplies Increasing (30% in last Decade) Global Competition for Industry |

4. Environmental-

Can go to far (CCT not enough)

Can Discourage Retrofitting (Updating may Trigger NSPS)

Uncertainty of Regs. Even 2 & 3 Years From Now (NOx 60% today 80% tomorrow)

5. Government Dollars-

Fewer Federal & State (30% Reduction of state funds in 2 years)

6. CCT Energy Awareness-

Stigma of Coal in General

Public attitudes toward coal remind me of a resent political survey that ask Americans on the Street, “What is the bigger threat to our Democracy - Ignorance or Apathy?” The overwhelming response was, “I don’t know and I don’t care!”

First, for CCT to be excepted (like natural gas) it must be KNOWN!

Second, We must not be APATHETIC about the promotion of our product! The positive societal changes CCT can bring to the world are dramatic.

FOR EACH PROBLEM THERE IS A SOLUTION!

1. Electric Deregulation-

Legislation may Include Environmental Requirements that promote Retrofit Tech.

Legislation may carry provision to encourage use of domestic resources and reliability provisions

2. Capital Expense-

CCT no longer Demonstration (TEXACO)
Commercialization/Standardization
Facilities

Financial Commitment is there!
(IGCC Texaco, CFBC Phillips Coal Miss.)
JOINT VENTURE PARTNERS
RISK MANAGEMENT

3. Competition-

Increased generation efficiencies

Standardizing the fuel - coal blending

Natural gas prices are unstable

O & M expense cut with “smart” operating systems

Duel-Fuel generating capacity

Economies of Scale (multiple products & multiple feedstocks)

Integration with other processes.

4. Environmental-

Retrofit may grow if standards not too sever

Foreign Opportunities

5. Government Dollars-

Expedited Permitting

Tax Incentives Local

Targeted Export Assistance

State-Federal Coordination

6. CCT Energy Awareness-

SSEB (regional groups)

1998 25th Anniversary of Oil Embargo

We can as Robert Bessette quoted from Jesse Jackson “like a honey bee have the sense to repollinate the flower”. With a 7.5 Billion dollar investment I don’t believe we will let this flower die!

ACTIONS

1. Develop comprehensive document listing State & Local incentives.
(Taxes, Land, Permitting, etc.)
2. International conference on IGCC (explore integration with other processes, products, and feedstocks)
3. Fund groups like SSEB to promote CCT awareness
4. Start a program to tour key federal and state regulators through CCT sites
5. Lobby Congress for increased domestic resource use and dual-fuel standard for electric system reliability.

I will leave you with one final quote. It has to do with Capital. We have discussed capital expense , capital cost, capital outlays.

THOMAS EDISON SAYS :

“TIME IS REALLY THE ONLY CAPITAL THAT ANY HUMAN BEING HAS AND THE ONLY THING HE CAN’T AFFORD TO LOSE.”

I believe our time spent at this conference was not capital lost but capital well invested. We must go foreword now and change the stumbling blocks into stepping stones.